

AMENDMENT TO RULES COMMITTEE PRINT 119-
33
OFFERED BY MS. GOODLANDER OF NEW
HAMPSHIRE

Insert in the appropriate place in title XVII of division A the following:

1 **SEC. 17__.** **PROHIBITION ON STOCK OWNERSHIP AND**
2 **PREDICATIVE MARKET TRADING.**

3 (a) IN GENERAL.—No covered individual may—

4 (1) directly or indirectly, own or trade a covered
5 investment; or

6 (2) enter into, or offer to enter into, an agree-
7 ment, contract, swap, or transaction that provides
8 for any purchase, sale, payment, or delivery of an
9 excluded commodity, as defined in section 1a of the
10 Commodity Exchange Act (7 U.S.C. 1a), that is de-
11 pendent on the occurrence, nonoccurrence, or the ex-
12 tent of the occurrence of a specific event or contin-
13 gency.

14 (b) COMPLIANCE.—

15 (1) REQUIREMENT.—To comply with subsection

16 (a)—

1 (A) a covered individual may not purchase
2 a covered investment; and

3 (B) a covered individual shall divest of any
4 covered investment by the effective date estab-
5 lished in paragraph (2) at fair market value.

6 (2) EFFECTIVE DATE.—The effective date is es-
7 tablished as follows:

8 (A) 180 days for an individual who is a
9 covered individual on the date of enactment of
10 this Act.

11 (B) 180 days within the date on which an
12 individual becomes a covered individual if such
13 date occurs after the date of enactment of this
14 Act.

15 (c) APPLICATION.—Nothing in subsection (a)(2) shall
16 be construed to apply to insurance for which the insured
17 holds a lawful insurable interest.

18 (d) DEFINITIONS.—In this section:

19 (1) COMMODITY.—The term “commodity”—

20 (A) has the meaning given the term in sec-
21 tion 1a of the Commodity Exchange Act (7
22 U.S.C. 1a); and

23 (B) does not include—

1 (i) a precious metal (as defined in sec-
2 tion 1027.100 of title 31, Code of Federal
3 Regulations); or

4 (ii) insurance for which the insured
5 holds a lawful insurable interest.

6 (2) COVERED INDIVIDUAL.—The term “covered
7 individual” means any of the following officer and
8 employees within the Department of Defense:

9 (A) A senior executive (as that term is de-
10 fined in section 3132(a) of title 5, United
11 States Code).

12 (B) A special Government employee (as
13 that term is defined in section 202(a) of title
14 18, United States Code).

15 (C) Any individual—

16 (i) employed in a position described
17 under sections 5312 through 5316 of title
18 5, United States Code (relating to the Ex-
19 ecutive Schedule);

20 (ii) a limited term appointee, limited
21 emergency appointee, or noncareer ap-
22 pointee in the Senior Executive Service, as
23 defined under paragraphs (5), (6), and (7),
24 respectively, of section 3132(a) of title 5,
25 United States Code; or

1 (iii) employed in a position of a con-
2 fidential or policy-determining character
3 under schedule C of subpart C of part 213
4 of title 5, Code of Federal Regulations, or
5 successor regulation.

6 (D) Any general officer or officer in grade
7 O-6 or higher.

8 (3) COVERED INVESTMENT.—The term “cov-
9 ered investment”—

10 (A) means an investment in a security, a
11 commodity, a future, or any comparable eco-
12 nomic interest acquired through synthetic
13 means, such as the use of a derivative, includ-
14 ing an option, warrant, or other similar means;
15 and

16 (B) does not include—

17 (i) a widely held investment fund de-
18 scribed in section 13104(f)(8) that is di-
19 versified and publicly traded on a national
20 or regional stock exchange;

21 (ii) a United States Treasury bill,
22 note, or bond;

23 (iii) a State or municipal government
24 bill, note, or bond;

1 (iv) any compensation received by the
2 spouse or dependent child of a covered offi-
3 cial from their employer;

4 (v) an interest in a small business
5 concern;

6 (vi) an interest in a limited liability
7 company created for the sole purpose of
8 purchasing or holding real estate that
9 serves as the personal residence of the
10 Member of Congress;

11 (vii) any share of Settlement Common
12 Stock issued under section 7(g)(1)(A) of
13 the Alaska Native Claims Settlement Act
14 (43 U.S.C. 1606(g)(1)(A)); or

15 (viii) any share of Settlement Com-
16 mon Stock, as defined in section 3 of the
17 Alaska Native Claims Settlement Act (43
18 U.S.C. 1602).

19 (4) DIVERSIFIED.—The term “diversified”,
20 with respect to an investment fund, means such
21 fund does not have a stated policy of concentrating
22 its investments in any industry, business, single
23 country other than the United States, or bonds of a
24 single State within the United States except for the
25 State in which the Member of Congress resides.

1 (5) FUTURE.—The term “future” means a fi-
2 nancial contract obligating the buyer to purchase an
3 asset or the seller to sell an asset, such as a physical
4 commodity or a financial investment, at a predeter-
5 mined future date and price.

6 (6) SECURITY.—The term “security” has the
7 meaning given the term in section 3(a) of the Secu-
8 rities Exchange Act of 1934 (15 U.S.C. 78c(a)).

9 (7) SMALL BUSINESS CONCERN.—The term
10 “small business concern” has the meaning given
11 that term under section 3 of the Small Business Act
12 (15 U.S.C. 632).

